FBIS DAILY REPORT

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ARGENTINE-CZECHOSLOVAK COMMISSION ENDS TALKS

PY220246 Buenos Aires TELAM in Spanish 0240 GMT 21 Nov 80

[Text] Buenos Aires, 20 Nov (TELAM)--Alejandro M. Estrada, chairman of the Secretariat for International Trade and Economic Negotiations, and Eng Andrej Barcak, Czechoslovak foreign trade minister, signed the final minutes of the results of the meetings of the joint Argentine-Czechoslovak commission today at the secretariat's office.

On this occasion, Estrada expressed satisfaction over the results of the discussions, saying that expectations had been met. He then thanked the members of the two delegations for the work they had done from last Monday until today and gave the Czechoslovak official the Argentine Central Bank document by which the Czechoslovak Bank of Commerce is granted a $20-million credit line for the financing of purchases of nontraditional Argentine export products. The Czechoslovak official then stressed the results of the meeting and stated that the two countries should continue the efforts they have now initiated to achieve a larger trade volume in the future.

Estrada continued by reading a detailed report handed to the press which underscores the Czechoslovak interest to continue participating in the realization of projects in this country within the framework of industrial cooperation, such as powerplants, cement factories, metallurgical plants, metal-mechanical plants, etc. In this connection he said that Czechoslovakia is now participating in projects belonging to the energy sector together with the water and electric energy enterprise, adding that Czechoslovakia will possibly participate in the expansion of the Lujan de Cuyo thermal powerplant. He also said that the Czechoslovak delegation has announced its interest in increasing its purchases of unbottled wine, tobacco and lemons and that contacts have been made with the corresponding sectors to that end.

He further reported that overall trade between the two countries increased considerably during the last 5-year period. Between 1977 and 1979, trade practically doubled and between 1975 and 1979, it tripled, Estrada added. Barcak, in answering some questions, said that the export contract for 750 tons of Argentine tobacco of Czechoslovakia is being fulfilled and that the quality of the product is excellent.

Regarding the purchases of fish from Argentina, he said that they continue normally and that an expansion of the agreement is being studied. In conclusion, regarding the sale of citrus fruits, he said that Argentina is meeting the needs of the Czechoslovak market during the season when it cannot be supplied from other countries for reasons of climate.

MINISTER REFUSES TO DISCUSS FINANCIAL RUMORS

PY250046 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1324 GMT 21 Nov 80

[Text] Rosario, 21 Nov (NA)--Argentine Economy Minister Jose Martinez de Hoz today refused to discuss recent reports about an imminent financial collapse, because "people tend to exaggerate a lot about these things."

Martinez de Hoz, who was questioned in this regard at the end of his speech to the local stock market luncheon, said that "rumors travel fast and things acquire a scope which they do not really have. I am not in favor of spreading these rumors." The minister recalled that measures to refinance and consolidate debts of agricultural and industrial enterprises are being studied but warned that "under no circumstances will there be a general moratorium."

In his speech, Martinez de Hoz acknowledged that "in a way we are being blamed for not fully adhering to the principles of exchange freedom," in connection with the criticism directed at the so-called "undervaluation" of the U.S. dollar. He added: "However, we may be forced to use, on a temporary basis, certain instruments which do not seem to be in keeping with our principles of exchange freedom."

PLANNING MINISTER DELFIM NETO VIEWS ECONOMY

PY212356 Rio de Janeiro LATIN AMERICA DAILY POST in English 21 Nov 80 p 1

[From the "Export News" section--all quotation marks as published]

[Text] Brasilia (EN)--Planning Minister Delfim Neto has held several meetings in Brasilia, gathering each time at least 15 entrepreneurs coming from every Brazilian state and representing the main sector of the national economy.

During these meetings the dialogue was informal and open with each of the participants freely putting forward his points of views.

Delfim Neto explained the government's ideas about the Brazilian economy in relation to the world energy crisis.

Delfim Neto asserted the government's "no to recession" and affirmed that "the priority granted to agriculture and to exports by the Figueiredo administration will go on."

He also said that "inflation will not overcome Brazil nor halt its economy. Like practically no other country, Brazil has been able to satisfactorily solve its problems." Minister Neto added that "the Figueiredo government is already starting to put the economy on the right course."

Herein follows the main points of Minister Delfim Neto's address to businessmen on the question of inflation, balance of payments, the energy crisis, agriculture and exports:

Inflation

"Four basic factors have caused Brazil's high rate of inflation: excessive government spending; food shortages; a certain disorder in salary policy; and the great increase in oil prices.

"As to the first cause, large government spending, radical steps are being taken to solve the problem. The government has started several programs without matching funds. In addition we are now greatly reducing government expenses in order to develop only those programs for which there is a justifiable availability of funds. This kind of fight shall lead us to an equilibrium in every government agency, expect one or two, and to a surplus in the fiscal budget by the end of this year.

"The second cause of inflation is food shortage. Few people realize that we have had 3 years of very poor crops and that we have used up all of our food reserves. There has been a material lack of food. It was therefore necessary to import rice, beans, wheat, meat and other products.

"The government, however, has acted promptly in meeting the challenge and this year we have already had a substantial recovery in agricultural production. In fact, the 1980 crop reached 50 million tons of grain, which means the biggest crops this country has ever had. We will go on with our present policies in the hope that we shall be able to eliminate food shortages as quickly as possible.

"The third cause for inflation is a certain mismanagement of the salary policy. Many believe that we are trying to exploit labor to initiate a policy for lower salaries. Such is definitely not the case, but one certainly cannot avoid the fact that there has been a certain mismanagement in the adjustments given higher wage brackers, which has significantly pushed prices up. In this area, we are still learning from experiences, but I am confident that the economic strains caused by salary imbalance will shortly pass away.

"The fourth cause of inflation, over which we do not have the slightest control, is that oil prices have increased amazingly in the last months. The fact is, 12 months ago we paid 15 dollars per barrel for oil and we are now paying about 33 dollars. Besides producing a terrible pressure on price levels, this represents an incredible increase in our oil expenses: in 1980 we shall probably spend about 11 billion dollars on oil imports.

"It is true that today, in Brazil, it is a kind of joke to mention a 100 percent inflation rate, something that is presently anticipated. It is to be noted that a certain way to measure inflation has been invented which does not correspond to the truth. The correct way, the way which has always been used should be to measure the yearly inflation rate by means of the rise in the cost of living. If you do so, you will see that from January through June of 1979, the cost of living rose 25 percent, while from January through June of 1980 it rose 31 percent. These numbers are indicative of real difference of inflation for these two periods. There is nothing very dramatic, therefore, about our inflation rate. What happens is that we are pointing to dead or past inflation and giving the impression that it is really leading to a process of general disorder.

"Therefore, concerning inflation, I think it is important to know that it is serious, that it is extremely high, but it is not what people are being led to believe. The real difference between 1979 and 1980 inflation is 25 to 30 percent. This is a fact. Mysteriously, these figures by no means appear in the newspapers."

Balance of Payments

"In what concerns the balance of payments, today, I would not have the slightest doubt that we will achieve exactly what has been scheduled: We will borrow 12 billion dollars and we will finish 1980 owing 55 billion dollars. Prices have increased 14 to 15 percent on the international market. The Brazilian real debt in dollars has been reduced. The important thing to remember is that by the end of 1979 we owed 50 billion dollars and our exports were approximately 15 billion dollars. We will end 1980 owing 55 billion dollars and will have an export level of 20 billion dollars, which means that our capacity to meet our financial obligations is already starting to take the right trend. We had an import-export ratio that was greater than 3. We will have one of 2, 2.2 or 2.3 by the end of 1980. This indicates that, in what concerns balance of payments, we are in a relatively tranquil position.

Energy Crisis

"I would like to discuss with you one last big problem: How Brazil is facing its energy crisis and whether we shall be better off in the future than we are today. Brazil has full knowledge that the most economical substitute for oil is oil. Therefore, our first and foremost effort should be to obtain oil. We are really taking great efforts to find oil in Brazil. However, we have strong limitations which are inflicted on us by our domestic savings. This is exactly the reason why, beginning a few years ago, we adopted a more liberal exploration policy, trying to attract foreign investments for joint ventures. Unfortunately, to this point, we have not had great success but we have frequently discovered low production oil fields and we have our reserves. A year ago our oil production was 140 thousands barrels a day; now we obtain about 210 thousands and we are pretty sure that in 1984 and 1985 we will be able to reach a daily production of 500 thousands barrels. We are drilling considerably more than we did before. We have not had much luck. This is an unfortunate truth."

At the same time, we have developed our alcohol program, which has started very slowly, but is now rapidly expanding. In fact, we have already contracted more than 80 percent of a 10 billion litre program. This will represent about 170 thousand oil barrels equivalent in alcohol in the years 1984 and 1985. No one doubts that proalcohol is here to stay. Sugarcane is really the most efficient "machine" to produce energy and no country in the whole world has been able to advance as much as we have in the replacement of gasoline.

Although our coal is not of an exceptional quality, we are also developing a program which will enable us to produce about 130 thousands barrels/oil equivalent in coal.

Such programs will represent, in 1984/85, an internal production of approximately 800,000 barrels per day--500,000 of oil, 170,000 of alcohol and 130,000 of coal. Oil consumption is now of 1 million, 100 thousands barrels a day and we expect that in 1984/85 it will reach about 1.4 or 1.5 million barrels a day. Even if an important oil discovery does not take place in our territory, we still believe that our import levels will remain on the order of 600,000 or 700,000 barrels a day, instead of the 960,000 barrels we are presently importing. Such a reduction in our oil imports--from 960,000 to 600,000 barrels per day--means a significant effort as far as the adaptation of the Brazilian economy to the energy crisis is concerned.

Together with such efforts in alcohol and coal production, we are also stressing the use of low grade gas in agricultural machinery in order to reduce oil derivative consumption. To an expressive degree, recent technological adaptations of wood alcohol are enabling a small share of this sector to increase its contribution to domestic energy production.

Agriculture and Exports

"Now let us discuss a strategy which has been chosen by our government and which benefits two specific sectors: agriculture and exportation. By promoting agriculture we intend to eliminate food stortage and at the same time increase our exports enabling Brazil to adopt a more liberal foreign commerce policy, thus making possible domestic price control.

The priority granted to these two sectors is also justified by the fact that we shall be better prepared to solve other problems and also to minimize all ill effects caused by the policy against inflation which we are carrying out in the country."

"If we succeed in persuading people to really search for foreign markets, and if our exportation figures grow faster, each additional dollar obtained through foreign sales will represent additional employment. Today, the solution for our social problems cannot be, as many people think, simply based on the furnishing of food or medical assistance. What we need to do is to produce more jobs. To do this it is necessary to export more. This is the line of thought we are attempting to follow.

Another is to increase agricultural production which will allow us to eliminate food scarcity and will help us in the export area. It is clear, then, that we have to direct our efforts and resources in these directions.

We are quite sure that our exports will exceed the 20 billion dollar level, however, and unfortunately, our imports may as well go beyond the 20 billion limit we have set.

It is important to understand that such a high level is basically due to oil imports since the purchase of other items will certainly slow down. The stress on such a policy will, of course, lead us to the correct solution. It is possible that a small deficit in the commerical balance will occur, but if we succeed in increasing our exports this deficit will certainly be reduced quite rapidly. This appears quite evident since the two most privileged sectors--agriculture and exportations--do have low import coefficients.

"No" to Recession

"Some people have been suggesting--in a somehow good-humored manner--that the way to finish off inflation is through a recession policy. However, nobody says just exactly what this means. Recession means unemployment, hunger. If inflation is not comfortable, recession is deadly.

We need to insist upon this point: Brazilian problems will not be solved through the collapse of business. Nobody falls down in the streets because of inflation, but many people will because of hunger. And how could we control a hungry person? The businessman who suffers under a high inflation rate can control inflation through price adjustments or salary reduction, while a hungry person must control hunger.

I would like to ask you something: Would recession increase food availability? No. Its tendency would be the reduction of food availability. Would recession ease the oil crisis? No. Recession would certainly result in more unemployment and would make real salaries become lower. One of the causes of inflation would obviously be eliminated, but at a high social cost. So, rather than undergoing such a social cost, it is better to be a little more patient, wait for things to adjust themselves in a natural manner and see the results.

Brazil is today roughly three times bigger than it was in 1964. Therefore, now, in 1980, we cannot make use of the same policy which was successfully carried out in 1964. Neither we nor anybody else. No country faces inflation by means of a recession--simply because there do not exist the political conditions to do this. We are, therefore, quite sure that the options which the Figueiredo government has chosen are the best ones since they involve the lowest possible social cost.

OPPOSITION SENATOR PROPOSES CONSTITUENT ASSEMBLY

PY210059 Brasilia Domestic Service in Portuguese 2200 GMT 20 Nov 80

[From the "Congressional Report"]

[Text] Speaking in the name of the leadership of the Brazilian Democratic Movement Party [PMDB], Senator Orestes Quercia today announced that he has submitted a draft constitutional amendment designed to call a constituent assembly on 15 November 1982. He said that in drafting the proposal he had the cooperation of PMDB President Ulysses Guimaraes, Senator Paulo Brossard and Deputy Freitas Nobre, the PMDB leaders in the Senate and the Chamber of Deputies, respectively; and of other opposition leaders with whom he exchanged ideas. Thus, Quercia added, the proposal submitted today was unanimously approved by the PMDB, after having overcome internal disagreements that forced it to withdraw a similar proposal submitted earlier.

Quercia's proposal drew immediate support from Senator Gilvan Rocha, leader of the Popular Party, and from Senator Itamar Franco. Meanwhile, Senator Aloisio Chaves, deputy leader of the Social Democratic Party, pointed out that there are no legal grounds for calling a constituent assembly, and that a broad agreement with the participation of the president of the republic would be necessary for this purpose.

CONGRESS CREATES COMMITTEE TO INVESTIGATE TERRORISM

PY212012 Sao Paulo Radio Bandeirantes in Portuguese 1000 GMT 21 Nov 80

[Excerpt] During last night's session, the National Congress approved the creation of the Congressional Investigative Committee (CPI) for Terrorism, aimed at investigating the escalation of terrorism, which threatens to hinder the process of democratic normalization. By agreement of the Chamber of Deputies and the Seante, the CPI will be headed by Senator Mendes Canale of the Mato Grosso Popular Party.

IRAQ RENEWS OIL EXPORTS TO BRAZIL

PY221758 Sao Paulo O ESTADO DE SAO PAULO Portuguese 21 Nov 80 p 1

[Text] Iraq already has renewed its oil exports through the Turkish port of Iskenderun and priority will be given to Brazil, France, Spain, Yugoslavia, Italy and Turkey, who are trade partners with Iraq or suppliers of weapons used in its war with Iran.

Due to the fact that the pipeline is pumping only 700,000 to 800,000 barrels a day, Petrobras in Rio de Janeiro cannot give any information as to how much oil will be purchased from Iraq. Brazilian stocks of crude oil and byproducts, which at the end of October amounted to approximately 100 million barrels, already have been reduced to 4 million barrels, which means just enough for 4 days' consumption.

And in Paris, the end of a mystery: the private secretary of President Joao Figueiredo, Heitor de Aquino, passed through the city, refusing to grant an interview. But it has been learned that Aquino had been in Iraq for 3 days, together with the vice president of Braspetro [Petrobras International Inc], Sergio Barcellos, where they were probably negotiating the purchase of oil. In Brasilia, the president of Petrobras, Shigeaki Ueki, said that Brazil will be producing 200,000 barrels per day by the end of the year.

PETROBRAS OFFICIAL SET TO DISCUSS OIL WITH USSR

PY242109 Rio de Janeiro O GLOBO in Portuguese 22 Nov 80 p 20

[Excerpt] Petrobras' marketing director, Carlos Sant'anna, yesterday traveled to Moscow where he will discuss an agreement for a continuous supply of oil throughout 1981. The Soviet Union was one of the many countries that offered oil to Brazil at OPEC prices after the Iranian-Iraqi conflict started. The understanding resulted in a contract in which the Soviet Union will supply 20,000 barrels a day until December. Sant'anna's trip has the objective of expanding that contract, at the same time reducing the quantity of oil that is imported from Persian Gulf producers.

Another Petrobras executive, marketing superintendent Armando Guedes Coelho, traveled to Europe and the Middle East at the beginning of the week. Petrobras reported yesterday that one of them could be sent to Iraq to formulate the new bases for the supply of oil from that country.

BRAZIL RECOGNIZES GOVERNMENT OF GUINEA-BISSAU

PY241443 Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Nov 80 p 12

[Excerpt] Brasilia--Brazil has recognized the new government of Guinea-Bissau, Itamaraty spokesman Bernardo Pericas reported yesterday. The appropriate instructions to convey Brazilian recognition were forwarded yesterday to Ambassador Raimundo Nonato.

The ambassador thus will respond to an official note in which the new regime announced its constitution. Pericas noted that in its reply, Brazil will implicitly convey its recognition. The prediction that Brazil would swiftly recognize the government of Joao Bernardo Vieira has thus become true.

Pericas said that the Brazilian Government has done "the same in similar cases." He added: "We do not interfere in the domestic affairs of other countries." Asked whether Brazil's swift recognition was influenced by the good treatment given to the ousted president, Luiz Cabral (who visited Brazil last July), Pericas said that just customary requirements were observed. Luiz Cabral and his family yesterday left Guinea and went to Cape Verde.

ZIONIST PARAMILITARY GROUPS REPORTEDLY CREATED

PY241517 Sao Paulo O FOLHA DE SAO PAULO in Portuguese 19 Nov 80 p 5

[Text] Brasilia--('Adnan Baghdadi), chief of the Arab League Mission, and (Farid Sawan), representative of the Palestine Liberation Organization in Brazil yesterday met with the press to report on the creation of Zionist paramilitary groups on Brazilian territory. (Sawan) charged that a decision to this effect was made at the recent Latin American conference of Jewish communities held in Sao Paulo from 9 to 14 November.

JUNTA ADDRESSES NATION ON IMPENDING PLEBISCITE

PY250150 Montevideo Domestic Service in Spanish 0000 GMT 25 Nov 80

[Message to the nation from the junta of commanders in chief of the armed forces, on the occasion of the impending plebiscite, read by the commander in chief of the army; place not specified--live or recorded]

[Text] Citizens: The junta of commanders in chief of the armed forces, representing and interpreting the feelings of the armed forces, feels it necessary to address the men and women of Uruguay on the eve of a decisive step.

As commander in chief of the army, I have been entrusted with the responsibility of speaking to you all. This I will do right now, and the presence of the other commanders in chief guarantees that this message states the position of the three branches.

We have decided that this message should be one of peace and reassertion. We will not insist on the past, but we will not forget it. We will not forget it because we do not want to return to the past, since we know how it was. And since we lived through it, we want to tell those who did not live through it as we did about it. We want these memories to move civilians and militarymen alike, because among the youths who did not experience that past are both civilians and soldiers.

Those were difficult times. The very foundations of our society tottered. The first to suffer was the family because hate had been sown between fathers and sons. Bad teachers instigated their students. Hate was encouraged between workers and employers. Entire families were destroyed and remain split to this day.

The final objective was abundantly clear: By fanning this hate and destruction, our social system would fall into the hands of minority which was well known and which already had been rejected. Our system based on family and freedom is the reason for the strength of our great Uruguay.

Because of all this [words indistinct] the armed forces responded to the call. They came when asked to defend the national way of life which was in danger of disappearing, the national way of life that the people had built after years of sacrifice and which they wanted to preserve.

Supported by a mass of patriotic civilians, the armed forces had to take over the leadership of the country, fully aware that they were fulfilling the most sacred of duties: Defending the fatherland, the holiest of missions, because to defend the fatherland means to defend its institutions, its symbols, its happiness, the joy of its youth, the jobs of its workers, the health and strength of its political parties, that is, its way of life.

In order to be free, one must have a government, and thus the entire nation began its recovery, decisively and imbued with a desire to do things, but suffering from domestic and foreign interference. The task has not been easy, but nations like ours must be honorable and sovereign. As worthy heirs of Artigas, we remained honorable and sovereign. Overcoming all difficulties, we have now arrived at this point.

The country, together with its armed forces, has reached an historic crossroads, acting honestly and sincerely as Uruguayans. By attaining the established goals, we have fulfilled our initial objective; and to crown this phase of the process, we are submitting to a plebiscite a new constitution which will reaffirm, on the basis of overall participation, the security and tranquillity which we now enjoy.

This must not be viewed as weakness on our side. It would have been very easy for us to impose this constitution. It would have been very easy to remain in power. It would have been very easy to make none of the promises we have made or to fulfill none of these promises. However, the honor and responsibility which we have never forsaken compels us to submit it to the decision of the sovereign popular will.

We want all the Uruguayan people, both civilians and military, to 'k together through an open door into an era of restored state of law. In a period of nsition, above all partisan differences, without begging the support of foreigners, we want this state of law to allow us to express ourselves and to achieve our grandeur. This is the objective of the constitutional test; it not intended as an imposition. We have never said that the new constitution is the best possible text, but we think that it is the right constitution for this country and for these times that are hard and difficult. As we understand it, we cannot govern ourselves with an abstract constitution. We need a realistic constitution to make possible the defense of institutions which were attacked and practically destroyed. We do not want to return to the past, nor will we permit this return. Because of their professional spirit, the armed forces are not made for deception and unfulfilled promises. We know that some portions of the new constitution may give rise to disagreements, but we would have been dishonest with ourselves had our intentions contributed to the preparation of a demagogic text, with shortcomings that would soon lead to destabilization and the use of force. We do not want the repetition of such episodes. We want to continue being loyal to ourselves and to the people.

The armed forces have concrete ideas about the constitutional text to be submitted to the plebiscite: to reaffirm peace, order, tranquillity and future prosperity--the same objectives as the process initiated in 1973. These objectives will be achieved by voting yes for the new constitution, because the new text embodies the experience accumulated over all these years, preventing the repetition of the errors that led the country to the brink of chaos.

We want to make a particular appeal to those who believe that a vote against the new text will prevent the return to a situation that has been left behind and maintain a state of affairs that suits their own interests. We want to tell these people that by voting no they will only hinder the culmination of the objectives set by the civilian-military process. To these people, only to these well-meaning people who we know are patriotic people, we exhort them not to be misled, to look around them to see who are those advocating a no vote. Some of them are people who want a return to the past, and others are people who serve foreign directives. These people do not deserve the company of the patriotic people to whom we make this appeal.

Finally, it will be the Uruguayan people, free and sovereign, who will give their opinion of the new constitution. Let one thing be clear: The continuity of the national reconstruction will not be affected by the lack of understanding of the enemies of the fatherland. The armed forces will continue to be guided by the principles of love for the fatherland, sparing no sacrifice, confronting and fighting the dangers threatening our way of life, our institutions. The armed forces will continue to struggle for the country's progress, for the continuity of its history, for the implementation of Artigas' ideals. The fatherland, fellow countrymen, is the result of the happiness and tribulations of everyone; the reasons for all our actions and ideas; the ultimate objective of our concern and worries.

In the long struggle for consolidating our nation, many Uruguayans before us gave everything they had, including their lives, to make the country as we know it today. Your yes vote will proclaim, with the supreme force of the opinion expressed in the solitude of the voting booth, that those who have given their lives for the fatherland have not died in vain.

INTERIOR MINISTER: POLITICAL ACTIVITY 'NORMAL'

PY201916 Montevideo Radio El Espectador Network in Spanish 1600 GMT 20 Nov 80

[Excerpts] Interior Minister Manuel Nunez has said that there are no political leaders under arrest, but that some of them have been interrogated; and that there are limitations on the political activities of some politicians, but not of parties. Nunez emphasized that political activity in the country is normal. In relation to the former political leaders who were interrogated, the interior minister told El Espectador: [Begin recording] They were invited to clarify some circumstances [words indistinct] for not even an hour. At the end, some situations were clarified. It was just a normal procedure, as any citizen can be called to clarify events in which he is involved and can then be cleared from any responsibility. [end recording]

GOVERNMENT SILENCE ON TREATY VIOLATIONS CAUSES CONCERN

PA230300 Panama City MATUTINO in Spanish 21 Nov 80 p 4-A

[Luis Restrepo Rosas column: "A Revealing Document"]

[Text] In CRITICA's Wednesday issue I published a report on what occurred during the session of the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee of the U.S. House of Representatives. This is a "revealing document" and upon examining it one finds out about details of great importance for the country.

I know that the document published in CRITICA has been widely read because I have received many telephone calls of support. I have also received support in direct conversations with citizens who are concerned over what is happening with the Panama Canal Treaty.

However, and this must be endlessly repeated, what I am most concerned about is the silence of the government in the face of constant charges made by canal employees and labor leaders and the almost daily charges made by a few newsmen. A citizen told me yesterday afternoon that "this silence is terrifying. It shows that there is a possibility that the inertia of the top government echelons, particularly that of the Foreign Ministry, would result in a heightening of the U.S. policy that was in the Torrijos-Carter treaties, in the whimsical interpretations of them and in everything which may be difficult to amend as was experienced with the 1903 treaty."

The national government always affirmed that the Panamanian representatives to the Board of Directors of the Panama Canal Commission would never pledge loyalty to the U.S. Government as stated in law 96-70...However, the document I presented to the public maintains that Congressmen Hubbard and Bauman reproached Mr. Blumenfeld because the Panamanian representatives did not take the oath when they were sworn in their positions as demanded by law 96-70.

Blumenfeld's answer was: "The Panamanians signed a sworn declaration." Now we ask: What sworn declaration? What were they pledging? Did the Panamanian representatives pledge their loyalty to U.S. laws? Did they compromise the country's honor, dignity and interests? Did they accept any kind of commitment that affects Panama's sovereignty and the correct interpretation of the Panama Canal Treaty?

These interesting questions must be clearly answered by the government. One must take into account that only the closest government circles knew of the existence of a "sworn declaration..." The opinion of the Panamanians is being openly scorned.

In addition, this meeting also revealed a more dangerous interpretation of the Panama Canal Treaty when Congressman Bauman announced that, "according to law 96-70 there is no Panama Canal Commission but a Board of Supervisors" adding that there is a big difference between a managing and a supervisory function.

Article 3 of the Panama Canal Treaty is very clear when in paragraph 3 it states that "the United States of America will meet its responsibilities through a U.S. Government agency which will be called the Panama Canal Commission." However, in thinking now that Panama will accept a different interpretation, it is being said that there is not a Panama Canal commission but a supervisory board.

Moreover, Mr. Blumenfeld, the assistant secretary of the army for civil works and president of the Board of Directors of the Panama Canal Commission, left the Panamanian directors in a very bad position when he said that "these directors as well as the foreign minister have certain internal political needs which require that certain statements be made." Then we wonder if this is what the Panamanians say when they talk to the representatives of the other side...

Mr. Blumenfeld was also emphatic when he rudely said that "he, as representative appointed by the U.S. defense secretary, controls the vote of the board. Therefore, it will be proven that law 96-70 will be fully complied with."

The Panamanian officials who must answer these worrisome questions probably feel that the Panamanian public does not deserve any reply regarding this...

BUSINESSMEN'S POSITION ON TRADE WITH COSTA RICA HAILED

PA240221 Panama City LA REPUBLICA in Spanish 23 Nov 80 p 4-A

[Editorial: "An Unsolvable Problem"]

[Text] Spokesmen for the Panama Chamber of Commerce and Industries discussed, in recent meetings with representatives of the local news media, aspects of the recent working meetings between Panamanian businessmen and industrialists and a delegation of businessmen and industrialists that came from Costa Rica for this purpose.

As is generally known, the Panamanian business and industrialist sector has cited the imbalance in favor of Costa Rica as a negative factor of trade with the neighboring country. The reports indicate that while Panama exports some 26 million balboas in goods to the Costa Rican market, it imports over $36 million, which represents a substantial loss of foreign exchange by the Panamanian sector.

However, the representatives of the brother country indicated that they cannot take any measure or any action in this regard, since to make any change in their country's economic policy is the function of the government and not of private enterprise. Moreover, we were informed that the bipartite meeting of consultation between the Chambers of Commerce and Industry ended without achieving any definite goals and, therefore, the Panamanian businessmen will seek to hold meetings with the corresponding Panamanian authorities to establish the rules that should be applied to this problem, with the understanding that the private sector's action, which failed, must now be replaced by government action.

The representatives of the Panamanian private sector were careful to state clearly that "they, the Panamanian businessmen, do not oppose the bilateral treaty between Panama and Costa Rica," since they noted that Panama has opened a secure market in the neighboring country and has obtained acceptance for Panamanian products. They said this market and this acceptance should not be lost under any circumstances.

Hence it was made very clear that the government's action should be to reopen negotiations with Costa Rica with an eye to finding a viable solution to the problem, possibly by reducing or expanding the lists of preferential products or by any other measure that will strengthen trade between the two countries but which at the same time will be more favorable to our country's industrial and commercial interests.

We have seen that the Panamanian businessmen and industrialists are acting with circumspection, keeping the doors open to dialogue. At the same time, they are acting with patriotism, keeping in mind that the loss of secure markets means more unemployment in our country. Therefore, they have not taken a position of intransigence and are carefully preserving that which has already been attained. However, with the same perseverance, they are defending the economic interests of our country so as to guarantee job stability for hundreds of Panamanian workers. Under those circumstances, we certainly offer all our support to the business sector in their effort to defend the national interest.

COSTA RICA

PRESIDENT CARAZO DISCUSSES CUBA, REAGAN

PA242313 Panama City LA PRENSA in Spanish 24 Nov 80 p 1

[By Julio Ortega C.]

[Text] "Castro and Somoza are the same: Both are tyrants regardless of the political sign they wave. They control their countries according to their own will and subject their peoples to different ideologies but, unfortunately, with regard to the violation of human rights, the conditions are the same." Costa Rican President Rodrigo Carazo Odio said this to this newspaper and to the newsmen who attended the regional seminar on "Refugees and the Communications Media," which was held in San Jose.

President Carazo gave an interview after opening the seminar on refugees and he made his statement on Castro after being asked why Costa Rica is not giving Cuba the same solidarity and support that Mexico is giving it.

The president said that he could not analyze developments in other countries or the feelings of other governments. However, he went on, when Costa Rica was directly threatened by Somoza, it had to react against that regime. Now that Castro is posing a direct threat, Costa Rica must also react against Castro.

When asked what threat he was referring to, the president answered: "Cuba's penetration and its desires to penetrate in the region are undeniable. Cuba has run incredible errands for the Soviet Union in Angola, in Africa and in several parts of the world."

Regarding the course followed by the Sandinist revolution, Carazo said that he had nothing to say on this, as each people determine their own destiny and establish their own formula for governing. As for the refugees arriving in his country, President Carazo said that "We cannot throw them to the bottom of the sea, as several countries in Southeast Asia have done. Neither can we tell them to find some other planet. Their only hope is here and, provided they obey the law, they can come. We do not encourage them to come because we are a poor country, but we do give them the attention they deserve as human beings the moment they arrive here."

President Carazo, who in recent months has been confronting serious domestic problems and has been strongly attacked by the press, said that many newsmen hold views of their own, views which he respects. Strikes, he added, are permitted by the labor laws and constitute formulas that follow a legal course. "Although we fight them because some of them originate among the extremist sectors, we do not think that they are anything extraordinary within the framework of our institutional life."

Regarding the commercial agreement that the Panamanian Government has signed with Russia, but which has not yet been ratified, the Costa Rican president said that he is not familiar with this agreement, but that "with or without embassies, our region is one of hegemonic struggle. That is evident. The big countries want to establish their predominance in several areas of the world and what the other nations can do is to not align themselves with anyone because the moment we have problems none of the big countries will come to help us."

In response to a question on the election of Ronald Reagan and its effects on the region, President Carazo said: "I'll cross that bridge when I get to it. I am, therefore, waiting for 20 January. After that, we will see how the U.S. Government behaves. I hope it will be respectful, just as ours will be, while being realistic toward the situation in the area and in the continent."

Asked about the support and solidarity that Costa Rica gave to the Nicaraguan revolution and its support for the Salvadoran government junta, President Carazo answered that there are fundamental differences between the Salvadoran and Nicaraguan problems. Somoza threatened Costa Rica. He dropped bombs on us and killed some of our people.

Many people analyze things but forget the realities of the moment at which they occurred. Some people call this historic perspective. Some of us call it bad memory. From that standpoint then, we have no direct problem with El Salvador, the way we did with Nicaragua.

Still on this subject, President Carazo added that El Salvador's problems did not begin in January with the new government junta and that its problems date back many years. "I remember," the president went on, "that when we were studying the history of Central America, we were told that there had been a massacre in the days of General Martinez. So, can we place that responsibility on the junta? I doubt it."

Finally, President Carazo indicated that the exchange restrictions currently affecting the Common Market and the bilateral treaty signed with Panama will not be reconsidered until coffee prices go up, since his country is currently pressed by the oil price hikes and the drop in coffee prices.

CARAZO SAYS NATION FACES SERIOUS FISCAL PROBLEMS

PA231735 San Jose Radio Reloj in Spanish 1330 GMT 23 Nov 80

[Text] The reduction of the 1981 budget, which takes away the government's responsibility to pay its debts to the commercial banks will result in serious problems because the banks will not have money to lend to the people and to make the productive sectors work, President Rodrigo Carazo said yesterday in (Pitas) de San Carlos. According to him, the hasty handling of the budget without the necessary knowledge will lead to such problems because the government is left without resources.

The serious problem that banks will be facing in 1981 stems from the fact that the government will not be paying its debts, so the banks will not have funds to lend for agricultural and cattle breeding activities, President Carazo explained.

An agreement has been reached with the Unity Party deputies in order to reduce the budget, but several groups want to reduce it further leaving the country's productive activities without resources. This is serious for Costa Ricans, the president added.

DEPUTIES APPROVE BUDGET REDUCTION MOTION

PA211604 San Jose Radio Reloj in Spanish 1200 GMT 21 Nov 80

[Excerpts] Through agreements between the Unity Party and the National Liberation Party, a motion to reduce next year's budget by 1.2 billion colones was finally approved last night by the legislature.

The Communist position is that the reduction seems to be greater than it really is and that many superfluous expenses have not been eliminated.

The official stand is that the budget reduction will be accepted because it does not affect the current administration's programs.

For their part, the United People legislators again insisted in congress on a true budget reduction that looks into the matter of expense accounts for public officials and eliminates the allocation of specific allotments [partidas especificas].

GOVERNMENT RESPONDS TO CAMPAIGN ON INFLATION

PA211634 San Jose Radio Reloj in Spanish 0100 GMT 21 Nov 80

[Excerpts] A clear-cut clash has surfaced between the government and the Chamber of Commerce in the wake of a radio and television campaign which is funded by the Chamber of Commerce concerning the high cost of living.

Presidency Minister Jose Rafael Cordero this afternoon asked Chamber President Angel Nieto to send a text of the advertisements to his office so he can study them in keeping with the provisions of the radio law.

A number of discrepancies between the government and the chamber has been noticed in the past few days. President Carazo has noted in his speeches that privileged groups oppose the social welfare of the poorer classes. The presidency minister said yesterday that the management sectors want to hurt President Carazo's work and his image in reprisal for the aid he gave the Sandinist guerrillas against the Somoza regime.

According to Gustavo Gutierrez, the chamber's foreign affairs director, the Chamber of Commerce will comply with the government's request by immediately forwarding the texts being used on the radio and television for the campaign against the high cost of living.

However, Gutierrez explained that the campaign did not originate solely with the chamber. More than 19 commercial organizations agreed to undertake the public campaign.

Several businessmen interviewed this afternoon said the campaign is part of our right to freedom of expression. They said the campaign is respectful and just seeks to shed light on the situation that Costa Ricans are experiencing now. They also played down the importance of the rumor that there is a clash or conflict between the government and the business chamber; this is sheer newspaper speculation.

GOVERNMENT ORDERS PRICE HIKE FOR DIESEL FUEL

PA211518 San Jose Radio Reloj in Spanish 0100 GMT 21 Nov 80

[Text] As we announced at noon, the government has decreed a diesel price hike to go into effect tomorrow. The hike will be 7 centimos per liter which means an increase of 27 centimos per gallon to consumers. The price of diesel fuel delivered at the gas stations is 2.56 colones per liter, according to the decree.

The price increase is due to the energy crisis following the Iraq-Iran war which has caused a decline in the supply of fuel. The Venezuelan company Maraven has also raised the price of oil byproducts as of 17 November and the Costa Rican refinery does not have the funds to absorb the price hike without hurting consumers. Therefore, the government has had to decree the hike.

NEW LABOR UNION FEDERATION ESTABLISHED

PA240347 Paris AFP in Spanish 2329 GMT 23 Nov 80

[Text] San Jose, 23 Nov (AFP)--A new United Workers Federation [Central Unitaria de Trabajadores--CUT] gathering some 50,000 workers and peasants will be organized here today at a meeting held by several Costa Rican labor federations.

The CUT emerged here amidst controversy, charged by sectors opposed to it of being "a Communist Party instrument." This charge has been denied by the various federations which created it. These include the National Federation of Government Workers (FENATRAP), the National Federation of Agricultural and Plantation Workers (FENTRAP), the National Peasant Federation and the National Federation of Industrial Workers, regional federations and other unions.

The creation of the CUT dissolved the General Workers Confederation (CGT), until this time the country's main labor federation, whose leadership was controlled by the Communist Party.

Luis Carlos Montero, up to this time CGT secretary general, said that the first task of the CUT will be to confront "price increases in articles and basic services."

The adjournment of the CUT's first congress will be this afternoon with a public meeting at the Central Park in San Jose, after 2 days of sessions and the elections of new officials.

Although the CUT gathers most of the organized workers in the country, its creation was protested here today by the Confederation of Costa Rican Workers (CTC) and other federations and labor unions which claim the CUT is located within a clear-cut national and international expansionist strategy directed from Moscow. The attitude of these organizations was expressed in an appeal: "Manifesto of the Democratic Labor Movement" published today in a local newspaper.

The Communist Party said that, on the contrary, "the creation of the CUT will undoubtedly be one of the most important steps in the history of the country's labor movement."

The CUT was also created against the will of the People's Revolutionary Movement (MRP), which together with the socialist and communists, make up the electoral United People's Coalition. The MPR leaders believe that the creation of the single labor federation is premature and proposed, as an alternative, a labor coordination project as a prior step.

CUT Congress Ends

PA241505 San Jose Radio Reloj in Spanish 1200 GMT 24 Nov 80

[Excerpts] The constitutional congress of the United Workers Federation [CUT], which ended yesterday afternoon in San Jose's Central Park, decided to fight for a general wage increase. The CUT constitutional congress also decided to oppose the hike in public service rates, and to invite workers, unions, communal and student organizations and the general public to march against bus fare hikes on 1 December. The congress also decided to fight against the dismissal of public and private employees.

CUT's statutes and basic principles were also approved at the event, thus the organization was formally established. The CUT constitutional congress also appointed an executive board yesterday, which has 40 regular members and 19 alternates. The executive board, in turn, named the executive committee: Mario Devandas, president; Marielo Girald, vice president; Rodrigo Urena, secretary general; Luis Carlos Montero, first under secretary; Timothy Scott, second undersecretary and Franklin (Heydin), member.

SOUTH KOREAN DELEGATION ARRIVES 22 NOVEMBER

PA231825 San Jose Radio Reloj in Spanish 1330 GMT 23 Nov 80

[Text] A mission sent to our country by the South Korean Government arrived last night, led by former minister Dr Pak Tong-sin and four other high-ranking officials. Tomorrow, 24 November, at 1600 the Korean mission will meet with President Rodrigo Carazo and with Economy Minister Jose Miguel Alfaro to discuss issues connected with trade and international politics.

During its 4-day stay in Costa Rica, the South Korean mission will also meet with Foreign Minister Jose Rafael Cordero [as heard] and will exchange views with the representatives of several economic groups because there is great interest in stepping up the cultural and commercial exchange between our two countries. The Korean mission will leave for South America on Wednesday.

BRIEFS

SDAR DIPLOMATIC RELATIONS--San Jose, 11 Nov (ACAN-EFE)--The governments of Costa Rica and the Saharan Democratic Arab Republic have established diplomatic relations at the ambassadorial level. The agreement was reached on 30 October this year and further arrangements will be decided later on by common agreement between the two governments. [Panama City ACAN in Spanish 1746 GMT 11 Nov 80 PA]

EL SALVADOR

JUNTA'S MORALES EHRLICH CALLS FOR AUSTERITY

PA240412 San Salvador LA PRENSA GRAFICA in Spanish 15 Nov 80 pp 2, 60

[Text] Jose Antonio Morales Ehrlich, a member of the revolutionary government junta, said yesterday during a brief interview at the presidential palace that this is a time for austerity, not a time for requests.

We must all realize that this is the time to practice austerity, to be thrifty, to spend only the necessary, to live in accordance with the country's real situation.

Morales Ehrlich said that the attitude of the peasants is praiseworthy, because they have devoted themselves to work without requesting wage increases or greater social benefits. There is every indication, he said, that they have understood the crucial times that the country is experiencing and have imposed upon themselves their quota of sacrifice for the country's progress. It is admirable to see how the cooperatives are being managed, many of them with better results than before the land reform program was implemented.

This is not the time for hasty requests. Those who make them are counterrevolutionaries, the junta member said.

Morales Ehrlich said the government is trying to resolve the crisis by creating more jobs. This should be the goal of all good Salvadorans--to create more jobs for those who have none and in no way to improve the position of those who are already employed, he said.

Asked about the nation's budget for 1981, Morales Ehrlich said that specific data on the budget are not yet available, but that it would be more or less equal to this year's budget, with the sole difference that more importance will be given to programs that generate jobs in both the capital and the interior of the country.

Finally, the junta member called on citizens to put their selfishness aside and work for the good of the fatherland. We must work to resolve the crisis and move the country forward in order to live in a true democracy, Morales Ehrlich said.

LEFTISTS CONTINUE TO ATTACK IN VARIOUS ZONES

PA242216 Panama City ACAN in Spanish 1730 GMT 24 Nov 80

[Excerpts] San Salvador, 24 Nov (ACAN-EFE)--Unidentified groups have carried out violent acts in various zones of San Salvador and other parts of the country during the past 24 hours. These actions have resulted in 10 dead and over $1 million in damages.

Members of the Farabundo Marti People's Liberation Forces (FPL), a Marxist clandestine organization, set fire to private plantations and to the National Coffee Institute in Verapaz, San Vicente Department. They also attacked several sugarcane processing stations, now in the process of harvesting, kidnapped four guards from the plantations and cut telephone and powerlines.

The army and other security forces are combing the areas to try to locate the attackers, who escaped without suffering any casualties.

Meanwhile, first aid units and the archbishopric and government institutions are trying to help the 70,000 refugees, mostly peasants, who fled from their homes in the Departments of San Vicente, Chalatenango and Morazan. The guerrillas have been harrassing the government's forces in these departments and they have been detaining buses along the Pan-American Highway and in the coast, robbing the passengers of their belongings.

Because of all this, it has been necessary to conduct search and destroy operations which in most cases have led to armed clashes.

Despite the wave of political violence, official reports say that some 1 million persons have visited the 9th International Fair of El Salvador, which opened on 7 November and which closes today. A total of 18 countries from 5 continents are participating in the fair and commercial transactions have exceeded $40 million, according to unofficial reports.

Coffee Plants Assaulted

PA250301 San Salvador Radio Cadena Central in Spanish 1803 GMT 24 Nov 80

[Text] The fire started this morning at the central coffee institute at Verapaz caused losses amounting to several million colones. The more than 150 leftists, who identified themselves as members of the Farabundo Marti National Liberation Forces, murdered four guards at the entrance of the installations and entered the premises where they started the fire.

The Acalpa coffee processing plant of the (Christian Bucker) Company was partially destroyed by the same activists when they tried to set fire to it. No clash with security forces was reported during these incidents.

JUDICIAL EMPLOYEES ON STRIKE 24, 25 NOVEMBER

PA250125 San Salvador Radio Cadena YSKL in Spanish 1810 GMT 24 Nov 80

[Text] Judges say that relatives can claim corpses on Monday or Tuesday. Judges will not examine corpses today or tomorrow because of a strike by the Judicial Employees Association. The strike reportedly is nationwide. Persons who have died violently, be it by terrorism or traffic accidents, may be claimed by their relatives, who will later notify the respective judges.

This strike is regarded as harmful because many people, who are not familiar with the legal requirements for this type of activity, prefer to wait for the judge to examine the corpse, out of respect for the law.

GUERRILLAS STEAL BISHOP'S CAR, BROADCAST MESSAGE

PA242336 San Salvador Radio Cadena YSKL in Spanish 1816 GMT 24 Nov 80

[Text] The archbishop of san vicente, Monsignor Aparicio y Quintanilla, was waylaid last week by guerrillas in San Salvador who stole his car. The theft was reported yesterday in the Sunday sermon by the Rev Freddy Delgado in San Vicente, in the archbishop's absence. Delgado strongly denounced the guerrilla movement. While the priest was broadcasting his message, a group of the Farabundo Marti National Liberation Front occupied the radio station he was using and broadcast a message reporting a number of attacks against peasants in that area. According to their message more than 100 peasants have been killed in less than 15 days.

CHALATENANGO VICARAGE ISSUES COMMUNIQUE

PA250422 San Salvador EL INDEPENDIENTE in Spanish 22 Nov 80 p 3

[Excerpts] In a communique the Chalatenango Episcopal Vicarage scores the indiscriminate repression of unarmed people by combined army and security forces and abusive raids on houses.

The communique repudiates the arbitrary arrest and the subsequent killings of citizens under the state of siege. The priests consider the use of the name of God and the Christian symbols to be sacrilegious in official addresses that support an unjust form of repression. At the same time, they condemn the systematic persecution of the Catholic Church, whose only crime is to have sided with the needy.

The priests also repudiate any attempt at foreign intervention in the country's internal affairs and the manifest intention, according to some U.S. Government spokesmen, to intervene directly and militarily. They repudiate the internationalization of our conflict, which would turn Central America into another Vietnam.

Because of the above, the priests ask the International Red Cross, the Human Rights Commission, Amnesty International, and all other humanitarian organizations to intervene so that in the ever increasing armed confrontations, which brings us closer and closer to an undeclared civil war, these organizations may impose respect on both sides for the laws and principles that regulate all armed conflicts.

AUTHORITIES REPORT DESERTIONS FROM LEFTIST GROUPS

300 Abandon 'Clandestine Activities'

PA240432 San Salvador LA PRENSA GRAFICA in Spanish 11 Nov 80 pp 2, 20

[Text] The authorities estimate that over the weekend over 300 persons abandoned clandestine activities to return to their usual activities throughout the country, a source linked to official organizations reported yesterday.

These persons reportedly decided to abandon the subversive organizations under the offer of amnesty announced by the revolutionary government junta. This measure, it was added, also includes protection of their persons and their families. Most of the desertors, who range in age from 18 to 28 years, said they decided to withdraw from the subversive organizations because they had discovered that the extremist organizations had told a great number of lies.

One of the most important cases reported is that of Ciro Caceres, who identified himself as one of the leaders of the terrorist groups. After confirming that the government's intentions are real and sincere, he decided on his own to give testimony regarding his treatment by the authorities. Ciro Caceres reportedly turned himself in at the Armed Forces Recruits Training Center [Centro de Instruccion de Reclutas de la Fuerza Armada--CIRFA] in Sonsonate.

CIRFA announced that many of the others who turned themselves in came from El Carrizal Canton, from Nahuizalco and from Metalio. They said they were deserting "because they were tired of being in hiding and of not having a means of subsistence for themselves or for their families." "We want to work and help in the pacification effort," they said, and added: "None of what we were promised was given to us. They are forcing us to risk our lives for nothing and this cannot continue."

It was reported that a group of six persons turned themselves in at the national guard post in Anamoros, La Union Department, and made statements similar to those made by the others at CIRFA.

On the other hand, sources linked to leftist organizations have indicated that those organizations have classified the desertors as undesirables, hinting that they no longer serve their purpose.

Finally, military sources announced that they have been successful in counterinsurgency operations in the eastern Departments of Usulutan, San Vicente and San Miguel. They added that in the past few days there has been a notable increase in the number of persons who have left the subversive ranks and are already trying to return to normal life. In this effort they have been helped in different ways by government organizations.

The source said that these 70 persons were from El Carrizal Canton in Nahuizalco and expressed their decision to set aside illegal activities, return to their usual occupations in farms and homes and to attend to their family affairs. They did not give many details but said that they had served in the organization for some time.

They revealed little information about future activities but said they had participated in various sabotage operations and other activities. They also said they had decided to abandon their illegal activities "because many of the promises made when they had joined were not kept."

They spoke of lies indoctrinated into them to make them more determined to serve. They said that when they saw the government's sincerity regarding the amnesty they did not hesitate to surrender at the recruiting center and ask for the safe-conduct and other guarantees.

HONDURAS

PAZ GARCIA SPEAKS AT INDUSTRY PROMOTION EVENT

PA242301 Tegucigalpa Domestic Service in Spanish 1130 GMT 24 Nov 80

[Speech by President Brig Gen Policarpo Paz Garcia at the opening of third national industry promotion event in San Pedro Sula on 22 November--recorded]

[Text] Dear people of San Pedro. First I wish to say a few words in tribute and admiration of the altruistic and creative spirit of Mrs Norma (Facuse de Catan), promoter of this event and guardian angel of the San Pedro Sula Special Education Institute. If all of us in Honduras had the altruism, the faith in Honduras, the dedication to serving others shown by this noble lady, our glories would be greater, making insignificant the triumphs of stinginess, silencing the voices of the impatient and the prophets of doom.

All efforts aimed at promoting our industry, especially when they are made amid the clamor of nonconformists and extremists, must necessarily be reflected in the nation's economy and in better living conditions for all our citizens.

These days to be a businessman is tantamount to accepting the challenges posed by contemporary society; it is tantamount to being convinced that there are no permanent privileges and that we must all sacrifice a little for those who need a lot. It is to take heed of the inevitable progress of an increasingly demanding society, a society that is more informed and more indisposed to resignation and conformism. It is, in a word, to assume the hope of profit without ruling out the possibility of risk.

It is this type of businessman that public relations people call the titans of progress, captains of industry and pioneers of development.

There is another name reserved for those who expect everything and demand everything from the state, as though the state were an entity alien to the sacrifices and contributions of the people.

To promote industry is to demonstrate the capacity for efficient production, for the incorporation of new techniques and new advancement; it takes an awareness regarding the achievement of a high productivity level with fair profits, and moves away from the vicious practices of speculation, shortages and the dishonest exploitation of markets.

To promote industry, as I understand it, is to help create, in this country, a climate of confidence, stability, optimism and permanent creativity, pushing aside ill-intended rumors, [words indistinct], intransigent demands, untruth and unjust [words indistinct].

To promote industry by following the example of societies more advanced than ours is to strengthen the government in its role of conciliator; it is to grant to the ruler the chance to serve all sectors of society through an understanding of their problems and the minimum guarantee of their most elemental rights.

To promote industry is to silence the voices of the (?defeated). On the contrary, may we hear the reasoning of the men and women who understand the (?border conflict) we are facing and who place their prestige, their intelligence and abilities at the service of negotiation and against confrontations and duress.

If the first role of the industrialist and the businessman is to produce, so too must he believe in himself, trust himself, keep his mind on his country, his family and the social, political and economic situation in which he is active.

For many years we have proudly proclaimed our status as a free country, respecting human rights and being faithful to international commitments. Suddenly, however, (?out of) respect for liberty, we seek ignominous epithets or we see the ruler's conciliatory spirit as weakness, as a fault, and we want to discharge our [words indistinct] of wishes that the government and the armed forces indulge in repression and violence.

The strong never boast of their strength, nor do they desire brutality. It is the weak of spirit and the insecure who demand violence as a solution to [word indistinct], as a substitute for the law.

When I became president of the republic, I said that I accepted leadership as a responsibility to my country and as a tribute of sacrifice to my people. I said clearly that I did not seek this position for personal gain, but that I would not evade the commitment of placing my greatest efforts at the service of domestic peace, the reconciliation of the Honduran family and promotion of development for the benefit of our society's alienated classes.

I also said that I was aware of the tremendous burden that I was placing on my soldiers and of the number of obstacles which would be placed along our path. As a San Pedro Sula editorialist recently said, to rule is difficult and it is not more difficult [as heard] under the present circumstances in which the country is going through an extraordinary wave of social unrest, is facing an international conspiracy and the suicidal lack of understanding of the local ambitious and impatient ones. Inflation is hitting us from abroad and there is internal speculation. The international market for our main export products is becoming more limited. Street rumors have become weapons of instability and frightening to weak persons, creating a feeling of disaster, of chaos, and of unsolvable problems, real or imaginary.

We forget that we are not the only country in the world afflicted by difficult economic problems. We are not the only part of the planet chosen as the target of international subversion. It is precisely, in the face of such realities, like those we are experiencing, that the ruler needs the support of the entire society and the sincere cooperation of the well-intentioned critics. Only a strong government, with the support of all men and of the most responsible organizations, is capable of pulling the state out of its problems and of conducting the state's public affairs along the paths of freedom, of democracy and of national unity.

It is impossible to save the republic from subversion and crime by defaming the president, pressuring him, making demands and not offering solutions. Forgive me for dwelling so long on this subject. I will now mention a few of the things we have to say in defense of Honduras, in defense of its survival as a peace-loving and harmonious state, in defense of its tolerance and faith in its role as a moderator of passions and interests. I am aware, however, that I am addressing men who are concerned about the future of the nation, men who have spent their lives trying to lead the country on the path of industrialization and hard work. I want to tell you that my government has not strayed from upholding the law, that it believes that law and order is the only way to maintain social coexistence, and that the law will be applied without exceptions. [applause]

The press media, perhaps unwittingly, may interpret the imposition of justice as a symbol of political repression. We have lost even this orientation. If the government is tolerant and respectful, the press calls it weakness and inability. If the government applies the law, the press raises an outcry in support of crime and is disrespectful of the police and representatives of law and order.

Ladies and gentlemen: I appeal to your common sense and good will. I invoke your oft-expressed patriotism, and I call for unity, understanding of our present times, and I invite you to be serene and to use your good judgment. Remember that foreign forces are threatening us day and night, waiting for us to show internal division, weakness and fear, or desperation to attack their prey, which is none other than our freedom, sovereign and democratic way of life.

On behalf of the government of the republic, I thank you for attending this event. I solemnly declare the third industrial fair of Honduras open. Thank you.

NATIONALIST CONGRESSMAN DENIES GOVERNMENT CONFLICT

PA250309 Tegucigalpa Radio America in Spanish 1415 GMT 24 Nov 80

[Distributed by Inter-Central American Radio Organization]

[Text] Rene Avendana Meza, a National Party congressman, has stressed that no conflict exists between the legislative and the executive branches. They are cooperating with each other now that the country's current situation requires the unity of those that in one way or another are running the country, Avendana Meza added, in reference to rumors about existing conflict between the two branches. According to the Cortes Chamber of Commerce and Industry these rumors were attributed to President Gen Policarpo Paz Garcia during a recent meeting with a commission from the Honduran Private Enterprise Council, COHEP.

Avendana Meza said that the National Party deputies to the Constituent Assembly support President Paz Garcia. He said that the National Party was one of the groups that approved Paz Garcia's appointment as provisional president of the republic and that it was neither just nor logical to turn their backs on him now. We will support Paz Garcia, Avendana Meza said, until the people elect the new constitutional president of the republic.

Avendana Meza, who is also chairman of the National Party departmental committee for Cortes Department, explained that in Honduras, as in other countries, some laws are violated but that with a dialogue things can be straightened out between conflicting parties.

Regarding the coup d'etat rumors, Avendana Meza said that there is nothing going on to that effect and that the people are sufficiently mature to defend their constitutional rights. However, he admitted that there are selfish groups trying to impede in the country's democratization process. He said that President Paz Garcia has proven himself qualified to guarantee that the democratic process will not be interrupted by an attempt to set up a de facto regime. I can assure you, he said, that the armed forces superior council is not thinking about coups. In conclusion, Avendana Meza said that those who are trying to hurt the country's image with all kinds of rumors, are going to be terribly disillusioned when the full text of the new constitution becomes public.

NICARAGUA

COMMANDER PASTORA COMMENTS ON BORDER PROBLEMS

PA220328 San Jose Radio Reloj in Spanish 0100 GMT 22 Nov 80

[Text] Commander Cero, Nicaragua's deputy defense minister Eden Pastora, has spoken about the border problems with Costa Rica and counterrevolutionary attacks along the Honduran border:

[Begin recording] It is due to inexperienced companeros, who have just gone through a war that has made them violent and has made them despise their own lives and the lives of others. War creates violence, disregard for relationships with fraternal countries and a lack of awareness of immigration matters and customs.

Here we have had to organize an army, police, customs police and immigration organizations and you know that an immigration official cannot be made overnight. We had to do this following the war. We have had to train immigration and customs chiefs and they have had to learn on the job. This is the cause of the problems.

To this add that the ones who fought in Nicaragua were youths. So who do we appoint? Young people. Therefore, it is a process in which they must learn to be policemen, customs officials, immigration officers, soldiers, and cabinet ministers.

Then there is the situation along the Honduran border. We know that the Somozist guard is there and they are killing us. We must be alert 24 hours a day. They shoot at us. They come and kill us. They enter 1,000 yards, kill some of us and by the time we arrive in force, they are back in Honduras. [end recording]

ROBELO CRITICIZES DEFENSE COMMITTEE SUPPORT

PA240115 Managua Radio Corporacion in Spanish 1700 GMT 24 Nov 80

[Text] Alfonso Robelo, top leader of the Nicaraguan Democratic Movement, in statements to Channel 4 of Costa Rica during the "Face the Press" program yesterday, Sunday, expressed his disagreement with the Socialist International's unconditional and unrestricted support to the Sandinist popular revolution.

In a strong attack against the revolution, Robelo noted that there is no political pluralism in Nicaragua, that there is some freedom of expression, that the economy is at a standstill and many of the revolutionary leaders are domineering.

Robelo expressed doubts that the former FRG chancellor and incumbent president of the Socialist International, Willy Brandt; Felipe Gonzalez, of Spain; and Carlos Andres Perez, of Venezuela, are actually aware of the truth in Nicaragua. Robelo said that prior to expressing their unrestricted support to the Nicaraguan revolution, these leaders should have sent delegates to learn the real situation in Nicaragua.

Robelo's negative attitude, as expressed in his statements, has had a great impact in Nicaragua because his words certainly belie his everyday claims that he is in favor of the welfare of the Nicaraguans and ignore the fact that most persons in the country are engaged in carrying out the nation's reconstruction and bolstering its economy.

LABOR BOARD MEMBERS AIR VIEWS ON 'DIRECT LINE'

PA220019 Managua Radio Sandino in Spanish 0200 GMT 21 Nov 80

["Direct Line" phone-in program with members of the recently created Trade Union Coordinating Board Dennis Melendez and Ivan Garcia of the Sandinist Workers Federation, Isidro Tellez of the Workers Front, Alejandro Solorzano of the Independent General Labor Confederation and Allan Zambrana of the Federation of Labor Action and Unity--live]

[Excerpts] [Question] Coordinators of labor groups, I am a "Direct Line" listener and I would like you to answer the following question: We know that the labor class has various labor unions with different ideological tendencies, but that they have common interests. My question is, what interests could the leaders of the Federation of Nicaraguan Workers [CTN] have in common with the leaders of the Higher Council of Private Enterprise [COSEP]? My name is Roger Chavarria M.

[Zambrana] We come from a society in which exploitation of man by man had been taken to its ultimate expression by the Somoza dictatorship. We feel that the working class, the workers of Nicaragua, although they have the same class interests--that is, the workers earn a salary and do not own any means of production, which makes it necessary for them to sell their labor in exchange for a salary--although the proletariat is an immense homogenous social class, its members do not all have the same beliefs, because the dominant classes managed the entire infrastructure and made the Nicaraguans think in the same way as the dominant classes.

What has happened to the leaders of CTN? They have preferred to maintain their convictions and their commitment to the bourgeoisie rather than to heed the call of the workers who--over and above our differing concepts of the struggle--decided to unite our forces. Therefore, although the leaders of CTN are fellow workers, although they have come from the working sites, their conscience, their mentality is strongly influenced by what is called Christian democracy, which through its institutions has corrupted the mentality of those companeros who, in response to the united call to join the labor coordinating committee, have not wished to respond and are now lending themselves to the maneuvers of the bourgeoisie by withdrawing from the State Council and [participating in] the plan to destablize the revolution.

Therefore, those companeros have to reflect and separate themselves from that political identification with the leaders of COSEP because the rank and file that they represent are being exploited by those same leaders of COSEP. Therefore, they have to rectify their conduct, or else the very rank and file of CTN will have to assume the historic responsibility of uniting the working classes.

[Question] My name is Manuel Orozco. My question for our companero labor leaders is the following: Why have they not made an effort, or at least submitted a request that the minimum wage of the worker be over 1,500 cordobas? This question is due to the present rise in the price of staples. As they themselves know, a salary of 1,500 for workers does not meet our needs. How long will it be before there is a wage increase allowing the workers to meet their needs? Thank you very much. I would be grateful if you would answer this question.

[Solorzano] Your concern is well founded if we view it from the standpoint that such wages could solve the workers' economic problems. It is true that thousands of companero workers, notably farmworkers, don't even earn 150 cordobas a week or 600 cordobas a month. It is also true that the unemployed don't earn a penny with which to meet their needs. We understand all this and for some time, you must remember, the national inter-trade union commission, for instance, made thorough economic studies to find an answer to those needs.

In reviewing the entire national economy we found that we could just give a raise of 125 cordobas a month to those companeros who were earning less than 1,200 cordobas. We then realize that this was not the way to solve the problem but it was the only answer that our country could give because every one knows the country was looted and destroyed.

[Garcia] The companero's question is appropriate. Almost all the labor union federations have in some way tried to solve the workers' economic problems. This has led to measures that increase the real and social benefits this year. Companero Solorzano explained the economic limitations of the revolution which prevent us from achieving higher real benefits but we think that it is necessary to point out some things here tonight. We might say than, although large amounts of money have not been received, the government of National Reconstruction, along with the labor federations, have tried to improve the workers' social benefits. Instances of this are the transport subsidy, a general food subsidy and we might also cite some data on the marketing of imports by the Nicaraguan Basic Foods Enterprise for the good of the people.

[Question] This is Rene Cano of the Santa Ana neighborhood. Mr Ivan Garcia and other companeros, please accept a revolutionary and Sandinist greeting. If the working class seized power by the use of weapons in this country, I would like to know why it is that the guidance that the CTN gives is not in line with the revolutionary process. Every time the CTN members make labor demands they resort to strikes, thus paralyzing production and damaging our country's economy. They are aware of the difficulties of our fatherland and yet they carry out these actions that affect the morale of other workers.

[Presumably Garcia] You have correctly stated that some CTN leaders do not share the political project of the people, led by their vanguard the Sandinist National Liberation Front [FSLN]. We presume that the CTN leaders, in guiding the workers in this manner, are definitely interested in confronting the working class, the rural and urban workers, with the revolutionary state and the Government of National Reconstruction by trying to promote situations that existed in the past.

We believe that this manipulation of sectors of the working class which leads them to take stands contrary to that of the revolutionary unions, is aimed at trying to destabilize the revolutionary process and create problems. In the first assembly to unify workers, we reaffirmed that solutions must be sought to labor problems without stopping production. However, they are constantly promoting strikes to cause problems, basically economic problems, to Nicaragua. We remember a strike that the CTN promoted at the Benjamin Zeledeon [not further identified] when approximately 12 million cordobas were lost in 2 days. The Nicaraguan people and the working class can form their opinion of the CTN positions regarding the revolutionary process and the tasks that the working class must carry out after viewing this.

[Question] Companero Solorzano, my name is Rigoberto Alvarado. I live one block from the Trebol Theater. I want to know the following: If a single labor union is created, does this mean that the Sandinist Workers federation [CST] will take advantage of this or will other unions remain independent?

[Solorzano] You should have no fear that the labor movement will be manipulated by anyone. It will always maintain its independence even before the state. In the urgent need to defend the revolutionary process, to consolidate it and to lead it to the social changes demanded by the working class, we have realized that we can only harm our own class if we remain separated. Therefore, we have started a unifying process in what is known at this time as the National Labor Coordinating Commission. The Workers Front, the CST and the CGTI [Independent General Labor Confederation] are not committed to anything in this commission. We are only trying to work arm in arm to solve the problems of our class and our revolution within a framework of mutual respect. This was noted during the labor assembly held on 15 and 16 November where we worked with respect and sympathy. This tells us that very soon, the differences of the past, which were logical--and we answered this to a companera in a previous question telling her that it was logical that there were certain discrepancies as regard to tactics in the labor movements--will be overcome. These discrepancies are being slowly overcome because we are all part of one class. Moreover, do not forget that the CGTI created a slogan many years ago. This slogan was adopted by the CST, the Farmworkers Association, the mass organizations and the FSLN: For a single social class, a single labor union. This is the dream of our class. We hope that this dream will come true soon. We hope to form the single labor federation with respect and dignity that our class deserves.

[Question] This is Pedro Juarez. My question is for the workers Front representative: Are you going to or have you joined the State Council? The other question I have is: will the newspaper EL PUEBLO be printed again?

[Presumably Tellez] Regarding the first question, we are not members of the State Council. The Workers Front presence at the State Council was established after the victory of the revolution. However, there were several ideological differences with the companeros of the Sandinist Front and there were always frictions over efforts to seek the best way to lead the revolutionary process. We believe that our presence at the State Council is a right we won. When we say this, we are saying it because our organization has been fighting for 10 years for the interests of our working class and those who are exploited. Consequently, since the situation back then called for a struggle against the Somozist dictatorship, our organization actively participated in the war against the dictatorship. We lost several comrades and brothers in this war. Many died. For this reason we feel that it is a right we won. There are a number of people in the State Council who did not earn this right as we did. However, we feel that the Workers Front might return to the State Council to maintain positions that will lead to intensifying the revolution so that there will be a new society where the working class and the exploited can benefit from this revolution.

[Question] I have been listening to this program and you have said that even the working class is independent from the state. I wish to ask you a question in this regard: The revolutionary state is made up of the working classes, the peasants and honest workers. Accordingly, independent of who the workers are, the workers the state?

[Solorzano] Companero, from a labor standpoint, from the standpoint of producers, our unions are independent, even from the administrators of the revolutionary state itself. A technician, a person who is responsible for an enterprise, can be very revolutionary in charting the enterprise's economy program, but he could forget that he is working with workmen who are human beings and he could forget their needs. In view of this situation, the union maintains its independence so it can make clear to this technician or that administrator that, even as a revolutionary, he must comply with the norms and the conquests and the vindications achieved by the class, which a revolutionary guarantees. This is the sense in which we are independent. The working classes are independent in capitalist states because there are antagonistic contradictions. In the revolutionary state these contradictions do not exist. Any differences are resolved through high-level dialogue, through revolutionary positions held both by administrators of the state, even though they may be workmen and peasants, and the workmen who must produce material goods. It is independence in this sense. In addition, let us not forget that even now, revelations such as were made by Commander of the Revolution Companero Jaime Wheelock yesterday at the huge support rally our people staged for our revolution. He admitted that our state--which at present is in a transition stage, since the process of national liberation in our country has not yet been completed, since we are now free and independent as far as the political guidance of our country is concerned--still has a debt of close to $2 billion. This has resulted in economic dependence from which we workers must still liberate ourselves. Although it is true that the exploiting bourgeoisie has been dislodged from political power, it is also true that they continue to exploit and to have economic power in this country.

[Answer] Now then, there is something else that should be added to this. It is what the CTN does not do. The CTN does not maintain a character independent of the bourgeois parties. In an article I wrote for LA PRENSA, I said that the CTN was independent. However, the CTN is independent from the revolutionary process. This is what the workers in the CTN must discuss. They must clarify whether or not that organization is independent of capitalists, because it is a matter of notoriety that at a session of the State Council, they represent something. They are represented. This is not because the CTN wishes to mention three names, but because they have affiliated with labor unions. They are representing those labor unions and are not representing the parties of the bourgeoisie. Therefore, care should be exercised regarding this independence of the CTN. We think that labor unions must be independent from parties, and parties are going to influence those labor unions according to the positions they assume in the face of the workers' interests.

We believe that this matter of independence is not something that should just be given lip service. We must debate this issue so that there will be no confusion. We consider--even the coordinator--that it is an independent organization. We, the various organizations present here, may have different ideological ideas. Some see the process one way, others see it another way, but always within the framework of a discussion, seeking better ways to outline this revolutionary process. I have contributed to what Companero Solorzano said, so that the companero workers will discuss in great depth the diverse problems that may arise within this revolutionary process.

[Question] Oscar Sanchez. I wish to ask something to the companero that is there right now. Point 2 of the resolutions of the first assembly to unify workers mentions the need to consider readjustments to the (Milan) wage. There has also been talk of wage adjustments recently. What do you think is an adequate wage adjustment at this moment?

[Answer] At the onset, we must point out that it would be somewhat adventurous to predict there the level of wage increase that could occur in our country. Repeatedly, the CST, the independent CGT and other labor organizations have pointed out that the wage increases that should be outlined need to be in agreement with the problems, the limitations or capacities of the revolution.

Therefore, as you have stated quite well, we in the assembly to unify workers pointed out that labor federations should be concerned with an approach to the economic problems--the wage problems of the workers--a responsible and consistent approach.

That is why we spoke about the formation of a committee in which the Labor and Planning Ministries--as organizations that control the nation's financial situation--should participate in order to analyze our country's economic capacity and on the basis of this capacity, determine the magnitude of wage increases which can be outlined in our country.

Therefore, companero, it would be somewhat hasty for us to say here that there will probably be a 20- or 25-percent wage increase. This will have to be the result of an unemotional and conscientious study of what you are asking.

[Freddy Rostran] Dennis Melendez will now contribute to this topic in the final minutes of "Direct Line."

[Melendez] What we wish to add is that at the moment of triumph, we in Nicaragua found that there was a wage scale that was very absurd, very ridiculous and very unfair. Gradually, we have been resolving the problems of wages. However, we wish to point to two issues. First, we are not trying to see what the percentage of wage increases will be.

In the second place, we are of the opinion that higher wages will have to be affected. At this moment, the companeros who earn more to a large extent have been the persons favored by most of this revolution's social benefits. When we speak of strengthening social benefits, these sectors that make good money have been favored. However, there is a trend, reactionary sectors of the bourgeoisie are denying the achievements and advances of this revolution. However, we have generally outlined some figures which demonstrate--that clearly show--how the revolution has subsidized transport, basic grains, medicine and education. We can say in general terms that here it would seem as if there never was a war. We lead a fairly normal life despite the destruction that occurred during the war and during the 45 years of the Somoza dictatorship. Why not say it: We live a fairly normal life despite the fact that for 158 years, the liberals and the conservatives accumulated, amassed their entire capital. As the leaders of our revolution pointed out--the leaders of the FSLN--here the gentlemen of the bourgeoisie, Mr Robelo for example, made his capital during the reign--the Somozist dictatorship--at the cost of the sacrifice, the sweat, the exploitation of thousands of workers.

Today, with the revolution, we are trying to resolve these problems and trying to achieve a more just and more equitable distribution of our country's social wealth.

FOUR SENTENCED FOR PART IN BLUEFIELDS INCIDENTS

PA250207 Managua Radio Corporacion in Spanish 1700 GMT 24 Nov 80

[Text] The Ciudad Jardin District Court of Managua sentenced Hugo Armando Morales Laredo, Wesley Hernan Chaverry Harrison, Teofilo Wilson and Charles Wilmore Hudson to 4 years plus 2 years imprisonment for violating the public security law, belonging to the Democratic Armed Forces, FAD, and to the movement that tried to separate the Atlantic and Pacific coast sectors, known as the separatist plan.

These persons were involved in the organization of alleged popular demonstrations on 7 through 10 October in the Atlantic coast sector to protest the presence of foreign elements who, according to the movement, were reportedly monopolizing positions that could well be held by local personnel.

BRIEFS

FRG YOUTH DONATION--Youths from the (Pedburg) community of the FRG have donated $13,600 to the Adult Education Vice Ministry. The youths sent a letter to Father Fernando Cardenal, national coordinator of the literacy campaign, explaining that they had collected the sum as a symbol of their solidarity with the reconstruction of Nicaragua. [Managua International Service in Spanish 0030 GMT 20 Nov 80 PA]

BAHAMAS

IMMIGRATION OFFICIAL ON REPATRIATION OF HAITIANS

FL211817 Nassau Domestic Service in English 1800 GMT 21 Nov 80

[Excerpt] The minister with cabinet responsibility for immigration matters, the honorable Clement Maynard, said recently that 2,700 Haitian nationals residing in the country illegally have been repatriated back to Haiti so far this year. But, said Mr Maynard, this number is much less than the 400-a-month quota provided for under a longstanding agreement between the Governments of Haiti and the Bahamas.

Mr Maynard continued that as many Haitian nationals as can be found will be repatriated at the expiration of the grace period on 8 January. Those seeking advice regarding the grace period, he said, should not be afraid to come forward.

GRENADA

BISHOP WARNS ADAMS AGAINST THOUGHTS OF OVERTHROW

FL241105 Kingston DAILY GLEANER in English 18 Nov 80 p 1

[Text] St George's, Grenada, 17 Nov (CANA)--Grenada has warned Barbados Prime Minister Tom Adams against harboring any thoughts of supporting the overthrow of the revolutionary government here.

The warning came from Prime Minister Maurice Bishop who, in an address at a mass rally yesterday evening, accused Adams and his Foreign Minister Henry Forde of attacking the Grenada revolution ever since it occurred 13 March 1979. He said the BEACON, organ of Adams' ruling Barbados Labor Party, had consistently attacked the revolution, publishing "a series of rumours and lies."

Bishop accused Adams of suppressing "key and vital" information, threatening the survival of the Grenada Government. Said Bishop: "If Uncle Tom is seriously thinking of maintaining any dreams of overthrowing this revolution, maintaining any dreams of helping people to attack our country, if most amusingly of all, Uncle Tom is thinking of himself coming down to our country in a hostile way, he will discover that the people of free revolutionary Grenada are ready, willing and prepared to fight and die to defend our revolution." It was Bishop's latest response to Adams in a near two-week-old "war of words" between the two Caribbean Community (CARICOM) leaders.

The controversy started on 4 November when Adams publicly called on the government here to hold general elections, promised soon after the 1979 revolution. Bishop heatedly replied with the accusation that Adams was interfering in Grenada's internal affairs. He dubbed Adams a "yard fowl", and accused him of being an "Uncle Tom" to the incoming United States Government to be headed by Ronald Reagan.

Barbados has since sent a note to Grenada demanding an "explanation" of Bishop's comments, dubbed in Bridgetown as "insulting and abusive."

Replying to this yesterday, Bishop gave his reasons for calling Adams an "Uncle Tom". He said that, in the days of slavery, there were two types of slaves, the "field slave" and the "house slaves". The field slaves cut sugarcane under the master's whip, and thought only about freedom and "how to plan revolution". They were the "genuine fighters", Bishop said, and Grenadians are their descendants.

The house slaves, on the other hand, Bishop said, did no work in the fields, and every time the master passed, they put on smiles and there was a "bending and bowing and scraping" to the extent that the tops of their heads touched the ground. "And every time they see master," the prime minister said, "they say, yes master, please master, no master, thank you master, kick me please master."

Bishop said it was the house type slave which had been called "Uncle Tom".

Bishop said the United States has a "backyard policy" of believing that the Caribbean is her backyard and "when they spit, we must open our mouths and collect it." He said Grenadians have said they are in nobody's backyard but, wherever there is a backyard there must be a "yard fowl" and that is the role Adams is playing. "That is the explanation and that is the apolgy that the free people of revolutionary Grenada sent to Uncle Tom," he said.

The prime minister said he was disclosing for the first time the fact that Adams, in the first days of the revolution, spent a lot of time trying "to stop the United States, Britain, Canada and France from giving recognition to the revolutionary government."

"This man," he said, "is now going around pretending that it was because of him that the Government of the United Kingdom gave recognition to our government and our country. The opposite is true, the fact is that he spend several days trying to block that recognition."

NEWS ABOUT GRENADA REPORTEDLY BANNED IN BARBADOS

FL242358 St George's Radio Free Grenada in English 2330 GMT 24 Nov 80

[Text] Conflicting reports have been coming out of Barbados on the recent banning of news about Grenada on the airwaves of the government-owned Radio Barbados.

Earlier this afternoon, RFG news spoke with Mr (David Simmons), chairman of the board, from which the ruling on the ban came. He said that as far as he knew, the ban was not on all news from Grenada or on Grenada but on news which attacked the personality of Prime Minister Tom Adams. He further stated that there was no blanket ban on all news from Grenada but when contacted, Radio Barbados told RFG news that following a meeting of the board last Thursday, they were instructed to cease reporting all news from Grenada as from that day. [words indistinct], as Radio Grenada put it, they were to pretend that Grenada did not exist.

This situation was brought to the attention of Radio Free Grenada last Saturday when our staffer and correspondent for Radio Barbados, (Lou Smith), telephoned that station with a story on the recent editorial of the FREE WEST INDIAN. The story highlighted the recent murder of five men (?visiting) Sauteurs area. He was told that there was a ban on all news on Grenada and his story could not be taken. As a result of the ban, Brother (Smith) has indicated that he will be raising the issue to the Caribbean [words indistinct] saying that he viewed the ban as an infringement on the free flow of information in the region.

JAMAICA

SEAGA OUTLINES START OF ECONOMIC RECOVERY

FL241455 Kingston DAILY GLEANER in English 19 Nov 80 pp 1, 13

[Text] In a speech outlining the start on the road to economic recovery Prime Minister Edward Seaga told Parliament yesterday that the government was negotiating financial assistance to meet the most urgent needs for food, fuel and raw materials.

Mr Seaga said the government was now in the process of having exploratory talks with the International Monetary Fund. He said that the island was now eligible for some U.S. $600 million on quota arrangements over a three-year period at attractive and concessionary rates of interest.

He said that his government was exploring by way of discussion the present thinking of the IMF and they were also exploring the thinking of the new government, to determine whether there was mutual grounds on which an agreement could be reached which were not grounds to which the people of Jamaica would object.

The prime minister said he was "optimistic" that the government would successfully negotiate a 180-day letter of credit which would enable the country to obtain U.S. $40 million for food, raw materials, spare parts and capital goods up to the end of the year.

Speaking at the opening of the new Parliament at Gordon House yesterday, Mr Seaga said that on those new credits would depend the finished goods and the repair of equipment to restore production and would represent the difference between, "a Christmas of calamity and a Christmas of contentment."

Mr Seaga also stated that a representative of the government was in Venezuela concluding arrangements for the Venezuelan fuel facility which would be retroactive to 1 January 1980. He said too that while a similar fuel arrangement with Mexico was creating problems because of difficulties in price and processing at the local refinery, he was grateful for both offers which could save the country U.S. $108 million.

He also noted that several lines of credit which had been frozen prior to the elections because of nonpayment, were reopened after the elections without any request from the Jamaican Government.

Mr Seaga said that there was also a third oil facility available through the Government of Trinidad which is to be negotiated and a report would be made soon.

Mr Seaga said: "It is worth noting, however, that the government's finances as they now stand have neither the finance nor the credit available to provide the country with oil supplies for the balance of 1980, and the extent to which we will be able to continue to keep the supplies of petroleum moving, which is so vital to the life of the country, will be dependent on the early conclusion of the negotiations on the Venezuelan facility which we have hopes to be concluded during this week.

In giving some details about the facilities, Mr Seaga said that the Venezuelan facility would provide 16,000 barrels per day which would be half the island's refining capacity at a 30 percent credit of the total cost repayable within 20 years at a rate of 2 percent interest. He said that the arrangement would be retroactive to January, 1980 producing a further U.S. $50 million saving in foreign exchange.

He said that the Mexican facility was producing some problems. There were two difficulties he said: Processing the Mexican crude would create a problem for the local refinery, and the cost was higher than Venezuela's which had implications for price increases which might not be overcome. Under this facility 13,000 barrels of crude oil would be available daily to Jamaica.

He said that an assessment has been made on the requirements of the economy for the balance of the year, in terms of foreign exchange to enable vital supplies of food, raw material, spare parts and capital goods to be imported. The assessment has indicated that the country's needs are U.S. $40 million so as to provide raw materials on a smooth flow, food, spare parts and capital goods.

Mr Seaga said: "I am pleased to advise the country that negotiations have been proceeding with the commercial banking system and with their headquarters in respect of the provision of this $40 million in new credits. And these negotiations are in an advanced state for the provision of this $40 million U.S. by way of an 180-day letter of credit to enable us to provide these basic and essential raw materials."

"And I may add that I am very optimistic about the outcome of the negotiations, which should be known shortly."

Mr Seaga said that there is not enough food, either on land or in the import pipeline, to take the country through the rest of 1980.

He said that on the new credits would depend finished goods, the repair of equipment to restore production and represented the differences between a Christmas of calamity and a Christmas of contentment.

He said that in the field of tourism there were noteworthy upturns. Since 1 November, bookings had shown a marked increase. Air Jamaica reported an increase of 17 percent in reservations made up to 15 November, over reservations in the corresponding period of the previous month.

He said that there was also a surge in interest in promoters and developers of new projects industrial, housing and agriculture.

He said that it was also good to know that many of the skills that left the island during the period of migration, when they were invited to do so were now, without waiting for any new invitation, returning home.

He said that it was also worthy of note that since the elections the killings and shootings had decreased by 50 percent. Mr Seaga praised the security forces, whom he said had recovered some 80 high-powered weapons during the post election period.

Mr Seaga said that it was absolutely critical that the present level of expenditure be maintained at no greater figure than those he had mentioned, so as not to aggravate the situation any further.

He said that the government had commenced talks with the World Bank and the Inter-American Bank to determine the levels of external financing on which they could rely for that would be the critical factor in terms of bringing new projects on stream.

He said that the levels of expenditure inherited from the previous government had virtually tied up the great bulk of the finances of the country in inescapable expenditure from one year to the other, leaving pitifully little room to maneuver or finances over which discretion could be exerted to reflect the policies and program of the new government.

In that case, he said, the external financing would play a very important role. He proposed at an early date to visit the World Bank and the IDS, in order to begin from now to line up the levels of support and the areas of support which can be expected.

He said that although repairs were being carried out to roads and seawalls in the parishes ravaged by Hurricane Allen, there were still problems in rehousing which will be a priority which has to be tackled.

One area in which there was great concern about funding for resuscitation was in the banana industry. Some $40 million were required there, he said, but the most he could say at the moment was that the sources of the funds had been identified.

MANLEY REELECTED TO SOCIALIST INTERNATIONAL POST

FL241520 Kingston DAILY GLEANER in English 20 Nov 80 p 1

[Text] The president of the opposition People's National Party, Mr Michael Manley, has been reelected a vice president of Socialist International. Mr Manley was reelected at the Socialist International Congress held in Madrid, Spain from 13-16 November 1980.

More than 400 delegates and observers from more than 50 countries attended this year's congress, which had as its theme--peace, freedom and solidarity. The delegates paid special tribute to Mr Manley for his "struggles for the just demands of the poor of the world," according to a news release from the PNP.

Prior to going to Madrid, Mr Manley had an audience with Pope John Paul II at the Vatican in Rome, Italy, on Thursday for over an hour of talks. Among the matters discussed were issues related to the new international economic order and in particular, problems regarding the North-South dialogue.

Mr Manley has now left Spain on his way back to Jamaica. Before returning to Kingston, he will make stops in London, England and Ottawa, Canada. During his stop, the opposition leader will carry out business on behalf of the People's National Party.

SAINT LUCIA

ODLUM SUPPORTERS CALL FOR LOUISY RESIGNATION

FL241100 Nassau THE TRIBUNE in English 19 Nov 80 p 4

[Text] Castries, St Lucia, 18 Nov (CANA)--A group of supporters of Foreign Affairs Minister George Odlum in the ruling Saint Lucia Labor Party (SLP) last night passed a resolution calling for the resignation of Prime Minister Allan Louisy as leader of the government and party.

The SLP meeting went ahead despite a late announcement by Party Chairman Gregor Mason that its organizers were "unauthorized" and that the session had "no validity whatsoever."

According to a statement issued today on the outcome of the meeting, 20 members of the party, including one-third of the membership of the central executive, adopted a resolution calling on Louisy to step down as political leader to make way for the party reorganization, and the holding of an SLP convention next January. The resolution also called on him to resign as prime minister.

The resolution was the latest initiative in a reopened confrontation between supporters of the prime minister and Mr Odlum who is seeking to take over the administration. The two sides had agreed earlier this year to shelve their differences.

The statement said that several other members of the executive had been unable to attend the meeting, but would add their signatures to the resolution at a later date.

Usually reliable sources said the organizers of the meeting planned to call on Louisy to serve him with a copy of the resolution.

There was no immediate reaction from Louisy today about the latest developments.

Party Chairman Mason yesterday condemned the attempt "by unauthorized persons" to convene the meeting and informed all members of the central executive that no meeting of that body was planned for the day.

A spokesman for the Odlum group rejected Mason's claim yesterday that notices for the meeting had gone only to some members of the central executive. He said that every member received a notice.

The spokesman further said that the meeting was properly convened, since it was attended by one-third of the 44-member central executive, as stipulated by the party's constitution for a quorum.